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REPORT NO.

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1. This section concerns the activity of the control-accounting finance agencies in the city of Astrakhan (finance departments) and does not include a description of the activity of the various banks, mutual benefit funds and savings banks.
2. In this work attention is called fundamentally to transactions of finance agencies with the organizations of the Ministry of the Merchant and the Ministry of the River Fleet. The transactions of finance agencies and the organizations of other ministries are analogous to those just mentioned.
3. The supreme finance agency of the country is the Ministry of Finance of the USSR and the Ministry of Finance of the RSFSR, which is subordinate to it.
4. The task of the ministry of Finance of the USSR is the direction of the financial policy and activity of the whole country, and also the regulation, control and accounting of the financial activity of Union Ministries, a list [redacted] 25X1
[redacted] will be given in Enclosure (A).
5. The task of the Ministry of Finance of the RSFSR is the direction of financial policy and activity within the Soviet Federation, as well as the regulation, control and accounting of the financial activity of the ministries of republic significance, a list [redacted] will be given in Enclosure (B).

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Outline

6. The direction of the financial activity of the Union Republics is effected through the Ministry of Finance of the USSR.
7. As everywhere in the USSR, the direction of the immediate financial activity in the Astrakhan Oblast is effected by the Astrakhan Oblast Financial Department, the OBLFINOTDEL. The Astrakhan OBLFINOTDEL is directly subordinate to the Astrakhan Oblast Executive Committee of the Soviets of Workers' Deputies, the OBLISPOLKOM, that is, the OBLFINOTDEL is a part of the OBLISPOLKOM.
8. All instructions, directives, directions, etc, to the OBLFINOTDEL come from the Ministry of Finance of the USSR or the Ministry of Finance of the RSFSR.
9. The OBLFINOTDEL is located in the city of Astrakhan at Sovetskaya Ulitsa dom #15 (in the OBLISPOLKOM building) and it is headed by the manager Loginov.
10. The following are subordinate to the Astrakhan Oblast Finance Department:
 - (a) The Astrakhan City Finance Department attached to the Astrakhan City Executive Committee of the Soviets of Workers' Deputies, the Astrakhan' GORISPOLKOM.
 - (b) The city finance departments of other cities that are part of the Astrakhan Oblast. (Actually, only one city, Stepnoy, which formerly was called Elista and which was the capital of the Kalmyk ASSR. The Kalmyk ASSR was liquidated after World War II, and the majority of Kalmyk villages or as they call them, "Khatons," were destroyed. The large populated points were settled with Russians, that is, the Kalmyks were partially liquidated and partially removed to the far north. The city of Elista was renamed Stepnoy. At the present time there is not one Kalmyk in these regions.) The city finance departments are part of the table of organization of GORISPOLKOMs, and are subordinate to them administratively.
 - (c) The rayon finance departments of rayon centers which are a part of the Astrakhan Oblast, for example: the Narimanovski, Vladimirovski, Kamyzyyski, Nikol'ski, Enotavski, etc. These rayon finance departments are a part of the appropriate rayon executive committees of the Soviets of Workers' Deputies.
11. The following are subordinate to the Astrakhan City Finance Department:
 - (a) The Rayon Finance Department of Kirovskiy Rayon, attached to the Rayon Executive Committee of the Soviets of Workers' Deputies of Kirovskiy Rayon (the Kirovskiy RAYISPOLKOM) and included in the table of organization of this RAYISPOLKOM. The activity of this RAYFINOTDEL extends to the central part of the city, bounded by: the even side of Krasnaya Naberezhnaya (the south bank of the river Kutum) from the place where the Kutum flows into the Volga; furthestmost point, the building of GLAVKASPRIBPROM /Chief Directorate of the Caspian Sea Fish Industry/ along the Naberezhnaya to the place where the Kanava River flows into the Kutum (the region of Bol'shie Isady); thence along the north bank of the River Kanava (the odd side of Naberezhnaya 1-go Maya) to the point where it flows into the Volga (furthestmost point--the Steamship Agency Volgutanker /Volga Oil Tanker Steamship Agency/ at Pier #17); and finally, along the quay of the Volga from the point where the Kanava flows into it to the point where the Kutum enters.
 - (b) The Rayon Finance Department, Stalinskiy Rayon attached to the Rayon Executive Committee of the Soviets of Workers' Deputies of Stalinskiy Rayon (the Stalinskiy RAYISPOLKOM) and included in the table of organization of the RAYISPOLKOM. The activity of this RAYFINOTDEL extends to the southern part of the city, bounded by: the even side of Naberezhnaya 1-go Maya (the south bank of the Kanava River) from the place where the Kanava flows into the Volga in the area of Pier #17 along the embankment of the Kanava to the point where it flows into the Kutum; thence from this point along the eastern outskirts of the city (the area of Krivush) to the North bank of the Tsarev River; thence along the north bank of the Tsarev River (the area of the city called Tsarev) to the point where this river flows into the Volga (furthestmost point--Oil Base #8); and finally along the embankment of the Volga from the point where the Tsarev flows into it to the point where the Kanava flows into the Volga (the area of the slip /Elling/).

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(c) The Rayon Finance Department of Leninskiy Rayon attached to the Rayon Executive Committee of the Soviets of Workers' Deputies of Leninskiy Rayon (Leninskiy RAYISPOLKOM) and carried on the table of organization of this RAYISPOLKOM. The activity of this RAYFINOTDEL extends to the part of the city bounded by: the uneven side of Krashnaya Naberezhnaya (the north bank of the Kutum River) from the place where the Kutum flows into the Volga (furthestmost point, the city water supply and sewerage trust); thence along the north bank of the Kutum to the place where the Kanava River flows into it; thence along the eastern outskirts of the city including the city cemetery. From the city cemetery the border of the rayon runs along the northern outskirts of the city, taking in the railroad station, and it ends at the Volga (the area of Pier #2-3).

(d) The Rayon Finance Department of Mikoyanovskiy Rayon, attached to Rayon Executive Committee of the Soviets of Workers' Deputies, Mikoyanovskiy Rayon (Mikoyanovskiy RAYISPOLKOM) and included in the table of organization of this RAYISPOLKOM. The activity of this RAYFINOTDEL extends to the northern part of the city, bounded as follows: on the south by the outskirts of the fishing village, the poselok i/n Fridrich Engl's, the area of the Astrakhan heating and power plant (ASTR T E Ts) and the poselok of the shipyard i/n Kirov; on the north this rayon is bounded by the river Pryamaya Bolda from the Shipyard i/n Kirov to the place where the Pryamaya Bolda flows into the Volga.

(e) The Rayon Finance Department of Trusovskiy Rayon, attached to the Rayon Executive Committee of the Councils of Workers' Deputies, Trusovskiy Rayon, (the Trusovskiy RAYISPOLKOM), and included in the table of organization of this RAYISPOLKOM. The activity of this RAYFINOTDEL extends to the western part of the city, running along the right bank of the Volga, beginning at the north part of the area "Solyanskoe" (the salt pits), running along the Volga through the poselok Trusovo (formerly Forpost); the poselok of the ship-repair yard i/n Lenin, oil base #5; the ship-repair shop i/n Artem Sergeev, the poselok of the ship-repair yard i/n 10th Anniversary of the October Revolution, the oil port of Reydtanker /Roadstead Oil Tanker Steamship Agency/, Ship-repair Shop #55, the shipyard of the Ministry of the Merchant Fleet and the poselok of the ship-repair yard i/n IIIrd International. To the west the area of the Trusovskiy Rayon is bounded by the western outskirts of the points enumerated above.

12. The structure of finance departments is as follows: At the head of each finance department there is a chief (manager). In addition to the chief, one deputy chief is provided for in the tables of organization of each of the Oblast and city finance departments. In the rayon finance departments in the event of the absence of the chief of the department, one of the senior inspectors is charged with fulfilling his duties.
13. The personnel strength of the Oblast Finance Department amounts to about 30-35 people, the personnel strength of the City Finance Department amounts to about 20-25 people, and the personnel strength of the Rayon Finance Department amounts to about 15-18 people. The total personnel strength of all the finance departments in the city of Astrakhan numbers about 170-196 people.
14. The basic and largest departments of the finance departments are:
 - (a) the table of organization /ShtATNYY/ department;
 - (b) the tax department.

I am not acquainted with the activity of other departments.

15. In each department there are senior inspectors and inspectors. In the Oblast finance department the table of organization /ShtATNYY/ and tax departments are headed by department chiefs. In the city and rayon finance departments, senior inspectors head the table of organization /ShtATNYY/ and tax departments.

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16. The workers in finance departments, inasmuch as they are under the jurisdiction of the Ministry of Finance, receive ranks established by the government (financial advisers of all ranks and classes) and wear the appropriate uniform (suits, overcoats, dark-green service caps, and insignia in their buttonholes).
17. The functions of the tax department are as follows:
 - (a) Determining what organizations and individuals are to be taxed. These include owners of houses, plots of land and cattle; persons living on unearned incomes; craftsmen; artels of craftsmen not united in the system of trade cooperatives; lessors; owners of ships and other transport facilities.
 - (b) Determining and recording what persons are not employed in State and cooperative organizations and enterprises, but who have means of subsistence, with a view to the possibility of taxing them.
 - (c) Determining the rate of taxation for persons subject to this tax.
 - (d) The regular collection of taxes, arrears and fines.
 - (e) Control over State and cooperative organizations and enterprises with respect to promptness and accuracy of collection of taxes and other levies from workers and employees.
 - (f) Issuing instructions and interpretations on procedure and rates of taxation for persons and organizations.
 - (g) Ferreting out private individuals and artels that have income, but conceal it wholly or in part, thereby evading payment of taxes. (Exposing "unlicensed" tailors, shoemakers, watchmakers, jewellers, etc.)
 - (h) Prosecuting persistent non-payers of taxes.
 - (i) The ferreting out of illegal organizations, and criminal prosecution of their members.
 - (j) Preparation and organization of subscriptions to state bond issues in state and cooperative organizations and enterprises.
 - (k) Preparation and organization of subscriptions to state bond issues among private individuals who are not employed in state and cooperative organizations and enterprises.
 - (l) Conducting subscriptions to bond issues and making regular reports through channels to the Ministry of Finance on the progress of the issue. Government decrees announcing a bond issue are always released at the end of the first working day after the 1st and 2nd of May holidays. Usually this occurs at 1600 hours on 4 May. However, as a rule, by this time in the majority of enterprises and organizations subscription to the bond issue has been completed. Long before the bond issue is floated, the FINOTDELS prepare subscription lists (blanks), distribute them and appoint agents to take the subscriptions. Actually only a "shake down" of the workers for amounts in excess of the plan is conducted after the decree announcing the government bond issue is published. The amount of bonds to be sold is known in advance by the finance agencies and it is scheduled for the various rayons, organizations and enterprises. During the course of the bond subscription, the FIN agencies hourly receive information on the progress of the subscription in their rayon.
 - (m) Conducting supplementary subscriptions to the bond issue. This happens when some collective, "consumed with fervent love for the Party and the government, has decided in response to their worries, to make an additional subscription to the bond issue and calls upon other collectives to follow their example." Of course, this "patriotic call-to-duty" is an out-and-out fraud. This is simply the handiwork of Party and trade union scoundrels, but the workers are obliged to follow the "patriotic call" and prove their devotion to the Party and government. This means giving more money "in loans" to the government. By the way, it is in

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practice impossible to get back the money given to the government in bond subscriptions. Supplementary subscription for the various rayons, enterprises and institutions is conducted also in the event that it has become necessary to re-distribute the amount of the issue during the course of the subscription as a result of incorrect planning of this amount.

(n) Observation and control over the prompt and full withholding from subscribers of the amounts subscribed for bonds.

(o) Supervision to insure that persons changing jobs continue their bond subscriptions at their new place of employment.

(p) Ferreting out persons who in some way or another have evaded subscribing to the issue during the official subscription period. Obtaining subscriptions to the bonds from these persons. It is characteristic that if a person who has not subscribed for bonds is discovered in August, he is still forced to subscribe to the full amount, regardless of the fact that only six months remain out of the 10-month term for paying off the amount. It is vastly better to subscribe to the bonds promptly; otherwise it will be difficult to pay later. In practice, subscription for bonds continues the year around in the USSR, despite the decrees ending it on 10 May.

18. The Table-of-Organization [Shtatnyy] Department is one of six agencies of supervision and control over the activity of the managers of enterprises and organizations in the USSR. The basic functions of the Table-of-Organization [Shtatnyy] department are those:

- (a) of a bookkeeping character,
- (b) of a control and inspection character.

19. Bookkeeping functions include:

(a) Ascertaining all state and cooperative enterprises and organizations in the territory under the jurisdiction of the particular finance department.

(b) Dividing enterprises into the following categories:

- (1) those of Union significance, ie under the jurisdiction of ministries of the USSR.
- (2) those of republic significance, ie under the jurisdiction of ministries of a republic (the ministries of the RSFSR).
- (3) those of local significance, ie artels, cooperative associations, etc.

(c) Dividing enterprises and organizations into groups according to the way they are financed.

(1) Khozraschet, organizations, ie, those carrying out their activity on the principles of "business accountability." These organizations exist on income from their production.

(2) Budget organizations, ie, those carrying on their activity on planned appropriations from the government (on grants).

(3) Mixed organizations, ie, organizations carrying on their activity on the principles of "business accountability," though within these organizations there are departments operating as budget organizations. For example, the editorial office of the magazine or the training-course combine in the system of a steamship agency.

(d) Registration of the tables of organization of administrative and management personnel and estimates of administrative and management expenditure of enterprises. The essence of this registration consists in the following:

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The creation of any enterprise or organization in the USSR can be effected on the basis of a special resolution of the government for each case. For this reason, it is absolutely necessary to prove the need and profitability of any particular enterprise or organization.

Next, a table of organization of administrative and management personnel of the particular enterprise is drawn up. The table of organization provides for the names of the positions that are to be in the enterprise (engineer, mechanic, accountant, etc), the number of them and official salaries.

The draft table of organization is compiled according to the following standard form, approved by the government:

I affirm:
(date, month, year)

Table of organization of administrative and management personnel of

"....." (name of enterprise)

Name of Planned subdivisions and positions	Number of units	Official salary	Bonuses			For the month	Remarks
			Personnel	In-service step increase	Others		

The draft table of organization, signed by the minister of the ministry that has jurisdiction over the particular enterprise, goes to the State table of organization Commission of the Soviet of Ministers of the USSR for approval. (The address: Moscow, Ulitsa Kozakova 26). The process of approval of a table of organization is extremely long and complicated. It is necessary to prove in detail the need and importance of each position. Every manager tries to get approval for a greater number of positions at higher salary rates, while the chairman of the State Table of Organization Commission, to the contrary, tries to "cut down" the table of organization to an impossible degree.

20. After the table of organization is approved, one copy is kept in the GShK /State Table of Organization Commission/, one copy is delivered to the ministry which is the "boss" of the particular enterprise, and one copy is sent to the finance department for the area where the enterprise is located. The enterprise itself receives two copies of the table of organization, but only after it bears the stamp of approval of the Minister or the chief of the GLAVK of the ministry which has jurisdiction over the particular enterprise.
21. The manager of the particular enterprise is obliged to register the table of organization of his enterprise at the local finance department. Only after registration can he hire employees and pay them wages. The process of registering the table of organization at the finance department is exceptionally laborious and complicated. This is because the finance departments are granted the right to cut, at their own discretion, the tables of organization and estimates of expenditures of enterprises and organizations under their control.
22. Here it is necessary to keep in mind that a whole series of organizations have been relieved of registering their tables of organization and estimates at the finance departments, and therefore the latter do not have the right to interfere in their activity. These organizations include: organizations of the Military and Naval Ministries, the Ministry of Internal Affairs, military plants and factories, Party organizations, political organizations, organizations of the Ministry of State Control, and a number of others.

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23. Mass registration of tables of organization is carried out everywhere in the USSR during the months of March and April, that is, at the time the annual plans are received by enterprises.
24. The following documents must be presented to the finance departments in order to register tables of organizations:
 - (a) Two copies of the table of organization which has been approved on the basis of the decision of the GShK /State Table of Organization Commission/ by the Minister or the chief of the GLAVK or in general by a superior organization;
 - (b) Two copies of the estimate of administrative and management expenditures, approved by a superior organization;
 - (c) A detailed breakdown of all items on the estimate of administrative and management expenditures;
 - (d) Statement of the production indices of the plan for the given year (output plan or transport plan);
 - (e) Breakdown of wage fund for labor not provided for on table of organization (casual labor);
 - (f) Statement on expenditures incurred in the previous year;
 - (g) Statement on expenditures incurred from the beginning of the current year up through the day of registration;
 - (h) Statement on the actual number of employees authorized by the table of organization and the salaries they receive;
 - (i) Statement on persons receiving in-service step-increases and a breakdown of the additional pay;
 - (j) Information on persons receiving personal pay in addition to salary and the authority for paying this additional pay;
 - (k) Statement on persons receiving other additional pay and the authority for giving this additional pay;
 - (l) The filled-out registration card.
25. After registration of tables of organization and estimates, the superintendent of the financial department puts the registration stamp, the round official seal of the FIN department and his signature on the table of organization and estimate of administrative and management expenses.
26. It is mandatory that the following be returned to the manager of the enterprise:
 - (a) The registered table of organization, the original of which is kept in the department of labor and wages of the enterprise;
 - (b) The registered estimate of administrative and management expenditures, the original of which is kept in the department of labor and wages of the enterprise;
 - (c) The estimate of the wage fund for personnel not envisaged in the table of organization (casual labor), the original of which is kept in the department of labor and wages;
 - (d) The registered registration card for all administrative and management expenditures of the enterprise, the original of which is kept in the finance department of the enterprise. On this card the bank issues banknotes for paying administrative and management personnel, for administrative and management expenditures and for paying out the wage fund for personnel not envisaged by the table of organization. The bank will on no account give out money without this card.

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(e) Further, the functions of the finance departments include the re-registration of tables of organization in the course of the year. Re-registration of tables of organization is carried out in the following cases:

- (1) Changes in tables of organization or estimates resulting from the initiative of the State Table of Organization Commission;
- (2) Changes in tables of organization or estimates resulting from the initiative of the enterprise itself or of superior organizations;
- (3) Changes in tables of organization or estimates resulting from changes in state policy; for example, the yearly five to 10% reduction in the tables of organization of administrative and management personnel, etc.
- (4) Changes in tables of organization resulting from the initiative of finance agencies. In this category, as a rule, falls the reduction of tables of organization or estimates of expenditures. In this last case it is necessary to point out the following fact. If the inspector of the finance department has decided to make cuts either in the table of organization or estimate of expenditures of some organization within his jurisdiction, then neither the petitions of the manager of that organization nor even the intervention of the top minister of the organization himself will help. The Ministry of Finance has given its peripheral organizations great rights in this regard, and it always supports their opinion. For the managers of organizations the best alternative for protecting themselves against such attacks from the FIN departments is to "keep on good terms with them," or, to put it bluntly, periodically to give bribes to the superintendent or the inspector of the FIN department. Many managers including even the writer of these lines, did this to preserve their organizations for production, risking at the same time their official positions and "freedom".

(f) Checking and inspector functions of finance departments which include the following: Systematic check of subordinate organizations so as to prevent or to stamp out breaches of finance discipline involving tables of organization. The basic kinds of violation include:

- (1) Keeping in the enterprise persons in excess of the number provided for by the table of organization, so-called supernumeraries;
- (2) Illegal raising of wages above those established by the table of organization;
- (3) Use of persons for positions to which they are not appointed according to the table of organization, so-called undercover wage raises. This is the most frequently encountered form of violation of table of organization discipline. For example, in a steamship agency there is a vacant position for an engineer in the maintenance service at a salary of 800 rubles. The salary of the secretary of the chief of the steamship agency is 450 rubles. So the chief of the steamship agency appoints this secretary, usually a girl with an education through the seventh or eighth class of middle school, to the post of engineer in the maintenance service at a salary of 800 rubles, but keeps her as his private secretary. Again, in a steamship agency there is a vacant position for a group engineer on the Ship-mechanic Service at a salary of 1000 rubles a month. The chauffeur of the chief engineer's car should legally receive 410 rubles a month. The chief engineer appoints the chauffeur to the post of group engineer at a salary of 1000 rubles a month, but uses him to drive the automobile. Such phenomena bring about quite a few peculiar situations. In my own experience, there were occasions when it was necessary to put a person to work in the specialty of a warehouse man. But the notation was made in his work book that he was working as a

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technician or as an engineer or as a shop chief, in general as whatever you like, only not a warehouse man, but he was counted on the table of organization and received wages as an engineer or mechanic. Obviously he stands in well with the bosses.

- (4) Using persons in administrative and management positions who are counted on the operations and production table of organization. This is the so-called covert increase in the table of organization of administrative and management personnel. The point is that the tables of organization for operations and production personnel are not approved by the State Table of Organization Commission and are not registered in the finance departments. These tables of organization are drawn up within the limits of the labor plan approved by the superior organization and are approved by the superior organization. Consequently, the manager of the organization has here more opportunities for various manipulations of an illegal character. For example, a certain person is appointed to the position of senior freight agent of an oil base or of the loading area of a steamship agency or port. However he does not work in this position, but is transferred to the administrative apparatus for employment as a dispatcher in the maintenance service.

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Many large enterprises and organizations, among them the steamship agency Reydtanker, maintain a large number of every sort of "expeditors", that is, persons traveling to other cities and "pushing" the filling of certain orders or obtaining certain materials in short supply; but they are accounted for on the table of organization as operations and production personnel. Even the Ministry of the Merchant Fleet (as well as other Ministries) keep a great number of various "expeditors" and other "specialists" and account for them on the tables of organization of steamship agencies and other peripheral organizations. As a rule, these persons hold highly paid positions and receive additional traveling allowances and other remuneration. The majority of these people are smooth operators and swindlers. They use their positions to make personal fortunes, but they do not forget their chiefs, and for this reason the latter need them.

This also is a very widespread form of violation of table of organization discipline.

- (5) Overexpenditure of various items of the estimate for administrative and management expenditures.
- (6) Arbitrarily shifting some items on the estimate of administrative and management expenditures to others, or increasing some items of the estimate and charging it against others. For example, in the estimate of administrative and management expenditures under the item "travel allowances and moving expenses" twenty thousand rubles for the year were approved and registered, and under the item "postal and telegraph expenses" twenty five thousand rubles for the year were approved. In the course of operations it became clear that insufficient money had been approved for travel allowances, it was short two thousand rubles, while not only was there enough money for the postal and telegraph expenses, but there would be a saving of five thousand rubles. Well, the manager of the enterprise does not have the right to make an overexpenditure in the amount of two thousand rubles for travel expenses, even though by charging it against the postal and

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telegraph expenditure on which a saving of five thousand rubles has been made a saving of three thousand rubles will remain on the estimate as a whole, even in spite of this overexpenditure. Moreover, the manager does not have the right to shift two thousand rubles from the item "postal and telegraph expenses" to the item "travel allowances and moving expenses", under which there is a deficit of two thousand rubles. All such changes can be made only by superior organizations, in coordination with the finance agencies.

- (7) Making administrative and management expenditures, and entering the sums expended under other, operational items, not registered in the finance departments. For example, inkstands, pencils, paper and forms are purchased for headquarters by the steamship agency for two thousand rubles. These expenditures are administrative and management expenditures and must be made so as not to exceed the amount appropriated under the item "office expenditures" on the estimate of administrative and management expenses. However, the appropriations for office expenses were not sufficient for the steamship agency and it enters two thousand rubles under other operating expenditures, for example, under the item "expenditures for fleet supply", which is not registered in the finance agencies. Illegal operations similar to this are widely practiced by managers of enterprises.

Financial agencies effect control over the observance of table of organization and financial discipline by managers and chief accountants of enterprises and organizations by means of surprise audits of these organizations by inspectors, as well as during the registration and re-registration of tables of organization and estimates of the enterprises and organizations. Moreover, finance agencies make wide use of a network of their own special kind of secret agent, SEKSOT in enterprises and organizations. Usually they recruit someone in the accounting office of the enterprise and this person systematically reports to the finance agencies all violations of table of organization and financial discipline taking place in the particular enterprise. This considerably facilitates the work of the finance agencies in uncovering such violations. This fact is especially important for FIN agency workers in the investigation of organizations which are very large and complex in structure, such as, for example, steamship agencies or ports.

(g) Carrying on the struggle against violations of table of organization and financial discipline. Here it is necessary to note that from 1946 on the government began to conduct an especially severe, though for the time being unsuccessful, fight against violations of table of organization and financial discipline. Whereas before this time the responsibility for this was the charge solely of the chief and senior accountants, from 1946 on the responsibility came to be borne equally also by the managers of enterprises and organizations. The demand was made of managers that they too should know how to account for money. [redacted] at one of the conferences at the ministry on this question; "There's been enough of this signing everything your accountant puts in front of you. [redacted] the managers must direct the accountant in financial matters, [redacted] these directives put a great many managers in a difficult position. You see, many of them possessed only their party cards, a knowledge of the "Short Course in the History of the VKP(b)" (minus four chapters) and a biography of STALIN. Where are they to find out what the "balance sheet of basic activity of a steamship agency" is for example, or what "accounts receivable" and "accounts payable" are. The fight of finance agencies against violations of table of organization and financial discipline and the violators is conducted exclusively by means of punitive measures. Punishments include:

- (1) Imposition of financial penalties. This is a comparatively light punishment, used only for insignificant violations and first offenses. It works as follows. Upon detecting a violation of table of organization and financial discipline in some organization, the superintendent of the local finance department

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sends the bank servicing the particular organization notification that the finance department proposes immediately to cease paying out money for wages and administrative and management expenses to the particular organization because of violations of table of organization and financial discipline. This is called "attaching the clearing account" or "closing the clearing account" of the particular organization. Such a measure has severe repercussions on the work of an organization. The lifting of the attachment from the clearing account takes place after the elimination of the violation in the particular organization.

- (2) Imposition of salary deduction (fine) on the persons guilty of violations of table of organization and financial discipline. This measure is used for serious and repeated violations. It is put into effect in the following manner: Assume that in a particular steamship agency violations of table of organization and financial discipline are detected. The inspector from the finance agency draws up a statement in which these violations are specified. The statement must be signed by the chief and by the chief accountant of the steamship agency, the inspector of the FIN agency who is making the audit and the superintendent of the finance department. If the managers do not agree with the facts set forth in the statement, they attach their refutations to it. A copy of the statement is given to the managers of the steamship agency. Further, the superintendent of the local finance department writes a report to his superior agency (the GOR /city/ FIN department) indicating in the report his conclusions on the imposition of salary deductions on the chief and chief accountant of the steamship agency, and sends the report together with the statement. The superintendent of the GOR FIN department reviews the report and certificate and sends his conclusion to the OBL /blast/ FIN department. The superintendent of the OBL FIN department gives final conclusions, and all the data go to the Ministry of Finance of the USSR for approval. If the management of the Ministry of Finance agrees with the opinion of the local finance agencies about imposing salary deductions on the chief and on the chief accountant of the steamship agency, it gives official instructions to the Ministry of the Merchant Fleet to impose salary deductions on those guilty of violations. A copy of the decision is sent to the local finance agencies where the steamship agency is located to check on its execution. The Minister of the Merchant Fleet does not have the right not to carry out the instructions of the Ministry of Finance and must publish such order as may be needed on the basis of these instructions. The amounts received from the salary deductions are to be paid to the state budget.

- (3) Handing cases concerning those guilty of violations of table of organization and financial discipline over to the office of the public prosecutor for prosecution. This measure is used for gross and repeated violations of table of organization and financial discipline. In this case the statement of audit and the conclusions of the superintendent of the finance department are transmitted to the local agencies of the public prosecutor. The agencies of the public prosecutor's office have the final decision on the question of prosecution. In the court examination of cases involving violations of table of organization and financial discipline, the article usually invoked against the guilty is #109-part 1 of the criminal code. This article states that persons who are guilty of malfeasance but who have gained therefrom no personal profit, are to be punished by imprisonment in corrective-labor camps for a term not exceeding three years, or to corrective-labor work at the place of work, depending on the gravity of the crime.

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25X1 27. [] serious penalties on the part of finance agencies against the managers of large organizations are very rare occurrences. If there are large bribes, the managers and inspectors of finance agencies do not notice even the grossest violations of table of organization and financial discipline.

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[] a representative of the Ministry of Finance from Moscow would drop in at the steamship agency and that it would be necessary to arrange that on that day there be no violations of table of organization and financial discipline noticeable in the steamship agency. And actually, the Moscow inspector found that everything was in ideal order in the steamship agency: the secretary of the chief of the steamship agency was holding the position of secretary; the extra accountants were sent home, and their desks were carried out; there were no porters standing at the doors; there was no group for the organization of self-repair. There were no evident, nor any secret violations of table of organization and financial discipline at all. The inspector went back to Moscow, and at a signal [] everything was back again in its normal place.

- end -

- Enclosures: (A) List of Ministries of the USSR (Union Significance) [] 25X1
 (B) List of Ministries of the RSFSR (Republic Level) [] 25X1
 (C) Distribution of the Organizations of the Ministries of the Merchant and River Fleets Among the Finance Departments of the City of Astrakhan.

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Enclosure (A)

A list of Ministries of the USSR (Union Significance)

25X1

1. Ministry of the Aviation Industry of the USSR
2. Ministry of the Motor Vehicle and Tractor Industry of the USSR
3. Ministry of the Paper and Wood Processing Industry of the USSR
4. Ministry of Foreign Trade of the USSR
5. Ministry of Internal Affairs of the USSR
6. Military Ministry of the USSR
7. Naval Ministry of the USSR
8. Ministry of Higher Education of the USSR
9. Ministry of Geology of the USSR
10. Ministry of State Control of the USSR
11. Ministry of Procurement of the USSR
12. Ministry of Public Health of the USSR
13. Ministry of Foreign Affairs of the USSR
14. Ministry of Cinematography of the USSR
15. Ministry of Light Industry of the USSR
16. Ministry of Forestry of the USSR
17. Ministry of the Timber Industry of the USSR
18. Ministry of Machine and Instrument Building of the USSR
19. Ministry of the Merchant Fleet of the USSR
20. Ministry of the Meat and Dairy Industry of the USSR
21. Ministry of the Oil Industry of the USSR
22. Ministry of the Food Industry of the USSR
23. Ministry of the Communications Equipment Industry of the USSR
24. Ministry of the Construction Materials Industry of the USSR
25. Ministry of Railroad Transportation of the USSR
26. Ministry of the River Fleet of the USSR
27. Ministry of the Fishing Industry of the USSR
28. Ministry of Communications of the USSR
29. Ministry of Agriculture of the USSR
30. Ministry of Agricultural Machine Building of the USSR
31. Ministry of Sovkhozes of the USSR
32. Ministry of Machine Tool Building of the USSR
33. Ministry of Construction and Road Machine Building of the USSR
34. Ministry of the Construction of Machine Building Enterprises of the USSR
35. Ministry of Construction of Heavy Industrial Enterprises of the USSR
36. Ministry of the Shipbuilding Industry of the USSR
37. Ministry of Trade of the USSR
38. Ministry of Transport-Machine Building of the USSR
39. Ministry of Labor Reserves of the USSR
40. Ministry of Heavy Machine-Building of the USSR
41. Ministry of the Coal Industry of the USSR
42. Ministry of Finance of the USSR
43. Ministry of the Chemical Industry of the USSR
44. Ministry of Cotton Growing of the USSR
45. Ministry of Nonferrous Metallurgy of the USSR
46. Ministry of Ferrous Metallurgy of the USSR
47. Ministry of the Electrical Industry of the USSR
48. Ministry of Electric Power Stations of the USSR
49. Ministry of Justice of the USSR

25X1

Note: It is necessary to make in the list the changes which have occurred since the death of Stalin

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Enclosure (B)

A List of Ministries of the RSFSR (Republic Level)

25X1

1. Ministry of Motor Transport of the RSFSR
2. Ministry of State Control of the RSFSR
3. Ministry of Housing and Civil Construction of the RSFSR
4. Ministry of Public Health of the RSFSR
5. Ministry of Cinematography of the RSFSR
6. Ministry of Municipal Economy of the RSFSR
7. Ministry of Light Industry of the RSFSR
8. Ministry of Forestry of the RSFSR
9. Ministry of the Timber Industry of the RSFSR
10. Ministry of Local Industry of the RSFSR
11. Ministry of the Local Fuel Industry of the RSFSR
12. Ministry of the Meat and Dairy Industry of the RSFSR
13. Ministry of the Food Industry of the RSFSR
14. Ministry of the Construction-Materials Industry of the RSFSR
15. Ministry of Education of the RSFSR
16. Ministry of the Fishing Industry of the RSFSR
17. Ministry of Agriculture of the RSFSR
18. Ministry of Sovkhozes of the RSFSR
19. Ministry of Social Security of the RSFSR
20. Ministry of Trade of the RSFSR
21. Ministry of Finance of the RSFSR
22. Ministry of Justice of the RSFSR

Note: In Enclosures (A) and (B), the following were not taken into account: chief directorates, committees, societies and central soviets of both the Soviet of Ministers of the USSR and the Soviet of Ministers of the RSFSR.

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Enclosure (C)

Distribution of the Organizations of the Ministries of the Merchant and River Fleets Among the Finance Departments of the City of Astrakhan

I. The Kirovskiy Ray /Rayon/ FIN Department

1. Ministry of the Merchant Fleet

- a. The Repair-Construction Sector [UCHASTOK] of the Steamship Agency Reydtanker
- b. The Astrakhan Oblast Office of TORGMORTRANS [Maritime Transport Trade].

2. Ministry of the River Fleet

- a. Volga State River Oiltanker Agency Volgatanter.
- b. The Astrakhan Rayon Directorate of the Volga Freight and Passenger River Steamship Agency, the "Astrakhan RUPR VGPRP".

II. The Stalinskiy Ray /Rayon/ FIN Department

1. Ministry of the Merchant Fleet

- a. The Astrakhan State Roadstead Oil Tanker Agency Reydtanker and all its organizations.
- b. The Directorate of the Roadstead Technical Fleet - REYDTEKHFLOT.
- c. The Ship Repair Yard i/n Karl Marx.
- d. The Astrakhan Inspectorate of the Maritime Registry.

III. Leninskiy Ray /Rayon/ FIN Department

1. Ministry of the Merchant Fleet

- a. The Astrakhan Sea Port.

2. Ministry of the River Fleet

- a. Ship Repair Yard i/n Uritskiy.
- b. The Astrakhan River Port.

IV. Trusovskiy Ray /Rayon/ FIN Department

1. Ministry of the Merchant Fleet

- a. Ship Repair Yard i/n Xth Anniversary of the October Revolution.
- b. Ship Repair Shop #55.
- c. Astrakhan Construction Directorate #1.
- d. Ship yard of the Ministry of the Merchant Fleet.
- e. Caspian Inspectorate of the Port Supervision for the Northern Part of Caspian Sea.
- f. The Basin Committee of the Maritime Transport Workers' Union "BASKOMMOR".

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Enclosure (C)

2. The Ministry of the River Fleet

- a. Ship Repair Yard i/n Lenin.
- b. Ship Repair Shop i/n Artem Sergeev.
- c. Ship Repair Yard i/n IIIrd Internationale.
- d. Astrakhan' Maintenance Sector [UChASTOK] #1 of the Steamship Agency Volgatanker.

V. Narimanovskiy Ray /Rayon/ FIN Department1. The Ministry of the River Fleet

- a. Ship Repair Yard i/n Stalin

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